

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	
FRANCHISE GROUP, <i>et al.</i> , ¹)	Chapter 11
)	
Debtors.)	Case No. 24-12480 (JTD)
)	
)	C.A. No. 24-1394 (JLH)
FREEDOM LENDER GROUP,)	
)	
Appellants,)	
)	
FRANCHISE GROUP, INC., <i>et al.</i> ,)	
)	
)	
Appellees.)	

**APPELLEES' COUNTER-DESIGNATION OF ITEMS
TO BE INCLUDED IN RECORD ON APPEAL**

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home and Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing, LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure and Rule 8009-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, Appellees, Franchise Group, Inc. and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) in the above-referenced chapter 11 cases (the “Chapter 11 Cases”), by their undersigned counsel, designate the following additional items to be included in the record on appeal of the (i) *Order Denying Motion of the Ad Hoc Group of Freedom Lenders Seeking Entry of an Order (I) Terminating Exclusivity in the Holdco Debtors’ Cases, (II) Lifting the Automatic Stay in the Holdco Debtors’ Cases, or (III) Appointing a Chapter 11 Trustee for the Holdco Debtors* [Bankr. D.I. 460] (the “Order Denying the Exclusivity Motion”); (ii) the *Order (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* [Bankr. D.I. 414] (the “DIP Order”); (iii) the *Order (I) (A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors’ Assets, (B) Scheduling an Auction and a Sale Hearing and Approving the Form and Manner of Notice Thereof, (C) Approving Assumption and Assignment Procedures, and (D) Granting Related Relief* [Bankr. D.I. 411] (as amended by the *Order (I) (A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors’ Assets, (B) Scheduling an Auction and a Sale Hearing and Approving the Form and Manner of Notice Thereof, (C) Approving Assumption and Assignment Procedures, and (D) Granting Related Relief* [Bankr. D.I. 444] entered on December 16, 2024) (the “Bidding Procedures Order”); and (iv) the *Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Certain Critical Vendors, Foreign Vendors, Shippers & Logistics Providers, and 503(b)(9) Claimants; and*

(II) *Granting Related Relief* [Bankr. D.I. 410] (the “Critical Vendors Order”) of the United States Bankruptcy Court for the District of Delaware:²

Docket Entries			
Item	Date Filed/Entered	Bankr. D.I.	Description
1	11/06/2024	97	Debtors’ Exhibit List in Connection with the Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief
2	11/14/2024	176-1	Proposed Second Interim Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Certain Critical Vendors, Foreign Vendors, Shippers & Logistics Providers and 503(B)(9) Claimants; and (II) Granting Related Relief
3	11/21/2024	209	Notice of Agenda for Virtual Hearing of Matters Scheduled for November 21, 2024 at 4:30 p.m.
4	12/06/2024	342	Notice of Ad Hoc Group of First Lien Lenders and DIP Lenders Exhibit List and Intent to Offer Witness Testimony at the Hearing Set for December 10, 2024 at 10:00 a.m.
5	12/06/2024	340	The Official Committee of Unsecured Creditors' Witness and Exhibit List for Hearing on December 10, 2024 at 10:00 a.m.
6	12/08/2024	371	Debtors’ Exhibit List For Second Day Hearing Set For December 10, 2024
7	12/09/2024	386	Debtors’ Amended Exhibit List For Second Day Hearing Set For December 10, 2024

² All items designated herein by the Debtors include all exhibits, schedules, attachments and other documents included within each docket entry for such item.

Hearing Exhibits ³			
Item	Date Admitted	Exhibit No.	Description
8	11/06/2024	1	November 2, 2024 Second Lien and HoldCo Lender Transaction Proposal
9	11/06/2024	2	November 6, 2024 Second Lien and HoldCo Lender DIP Proposal Email Correspondence

This counter-designation is without waiver of any arguments on appeal, and the Debtors expressly reserve the right to supplement this counter-designation and the record on appeal with any relevant materials from the above-captioned Chapter 11 Cases.

³ Pursuant to Del. Bankr. L.R. 8009-1(b), the following items are attached as Exhibits 1 and 2 to the *Appellees'* *Counter-Designation of Items to be Included in Record on Appeal* filed contemporaneously herewith in the United States District Court for the District of Delaware, C.A. No. 24-cv-1394 (JLH).

Dated: January 16, 2025
Wilmington, Delaware

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